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ASX Climbs to Record High Despite Global Concerns and Alarming Decline in Birth Rate

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Australia's sharemarket continues to defy global headwinds, posting yet another record high this week, even as broader economic signals raise long-term concerns. The S&P/ASX 200 index (Standard & Poor's/Australian Securities Exchange 200) surged once again, mirroring gains on Wall Street despite persistent uncertainties in the global economy. Analysts say resilient corporate earnings and hopes of interest rate cuts have provided investors with enough confidence to maintain upward momentum. But at home, the nation's declining fertility rate has sparked fresh worries about the future of Australia's labour force and economic sustainability.

In an interview with SBS Finance, Mahjabeen Zaman, Head of Investment Strategy at Australia and New Zealand Banking Group (ANZ), explained that both the Australian and US markets are being buoyed by strong corporate performance and solid economic data. Investors appear largely unshaken by geopolitical tensions, slower Chinese economic activity, or the Bank of Japan's cautious monetary policy stance. "Markets are forward-looking," Zaman noted, "and the current trajectory suggests optimism that inflation is cooling and rate relief may be on the horizon." These expectations have powered technology and resource stocks alike, reinforcing Australia's position as a stable investment destination.

However, alongside this short-term economic strength lies a troubling demographic trend. Speaking with Stephanie Youssef, Terry Rawnsley, urban economist at KPMG, highlighted how Australia's birth rate now well below replacement level poses serious long-term economic challenges. A shrinking population means fewer workers, lower productivity, and greater strain on public services. "We're heading toward an economy where ageing outweighs productivity unless action is taken," Rawnsley warned. The fertility rate's decline is driven by high living costs, limited childcare support, and housing inaccessibility issues successive governments have failed to address meaningfully.



While the market rally may be cause for celebration, it also underscores a stark contrast between private sector resilience and public policy stagnation. Australia's demographic outlook should be a wake-up call for policymakers who have for too long leaned on immigration as a short-term fix. Sustainable economic growth demands bold action not bureaucracy. As the ASX continues to climb, it's time for leaders in Canberra to match investor optimism with real reform that secures the nation's long-term prosperity beginning with support for Australian families.